

# FRANCHISE DISCLOSURE DOCUMENT



Next Step Franchising, LLC  
(A Delaware Limited Liability  
Company)  
711 5th Avenue South, 210  
Naples, FL 34102  
866 My Lapels™ (866-695-2735)  
[www.lapelsfranchise.com](http://www.lapelsfranchise.com)

Lapels® businesses are full-service environmentally friendly Dry Cleaning Plants, Satellite Dry Cleaning Stores, Pick Up and Delivery Model and Laundromats. The full range of services offered in each type of Lapels® business includes dry cleaning and shirt service and which also may include laundry, tailoring, shoe repair, wedding gown and fur storage, suede and leather processing and other ancillary services. Depending on the type of business, some or all of the services connected with the store are sub-contracted to qualified professionals.

The total investment necessary to begin operation of a Lapels® franchise depends on the type of business you choose. We offer four options: a Full Service Environmentally Friendly Dry Cleaning Plant (a "Plant"), a Satellite Store, a Pick Up and Delivery Model ("Lapels Delivers") or a Laundromat.

<b>Plant:</b> The total investment necessary to begin operation of a Lapels® Plant is \$391,281 - \$730,122. This includes \$370,251 - \$409,462 that must be paid to the franchisor or affiliates.
<b>Satellite Store:</b> The total investment necessary to begin operation of a Lapels® Satellite Store is \$91,752 - \$211,212. This includes \$81,312 - \$88,312 that must be paid to the franchisor or affiliates.
<b>Lapels Delivers:</b> The total investment necessary to begin operation of a Lapels® Pick Up and Delivery Model is \$41,500 - \$73,200. This includes \$38,800 - \$40,100 that must be paid to the franchisor or affiliates.
<b>Laundromat:</b> The total investment necessary to begin operation of a Lapels® Laundromat is <del>\$812,307</del> <u>804,353</u> - <del>\$1,534,900</del> <u>496,600</u> . This includes \$361,463 - \$883,900 that must be paid to the franchisor or affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Lapels® corporate offices at 711 5<sup>th</sup> Avenue South, 210, Naples, Florida 34102 and 866 My Lapels™ (866-695-2735).

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

**YOUR ESTIMATED INITIAL INVESTMENT  
(Laundromat)**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of payment</b>	<b>When due</b>	<b>To whom payment is to be made</b>
Initial Franchise Fee	\$40,000 (Note 1)	Lump sum	At signing of your Franchise Agreement	Us
Initial Training and Site Support Fee	\$7,000	Lump Sum	When you sign a lease for your store	Us
Travel And Living Expenses While Training	\$250 - \$2,000 (Note 2)	As incurred	During training	Airlines, hotels, car rental agencies, restaurants
Real Estate and Prepaid Rent, Security and Utility Deposits	\$5,000 - \$16,000 (Note 3)	As incurred	As agreed with landlord, utilities supplier	Landlord, Utilities Suppliers
Leasehold improvements	\$389,450 - \$490,000 (Note 4)	As incurred	As agreed with contractors	Contractors
Equipment Installation	\$24,000 - \$38,000	As incurred	As agreed with contractors	Contractors
Start Up Supplies and Equipment Package	\$278,563 - \$763,000 (Note 5b)	Lump Sum	When you sign a lease for your store	Us
Signage and permits	\$5,000 - \$12,000 (Note 7)	Lump Sum	Before commencing operations	Us
Freight	\$7,000 - \$15,000 (Note 6)	Lump Sum	When Equipment	Ur or 3 <sup>rd</sup> party freight company directly
Grand Opening and First Year Marketing Fee	\$8,900 (Note 8a)	Lump Sum	When you sign a lease for your store	Us
Insurance	\$140 - \$2,000 (Note 9)	As incurred	Before commencing operations	Insurance company
Sales Tax	\$29,000 - \$60,000	As incurred	When equipment is ready for shipment	
Miscellaneous opening costs	\$50 - \$2,700 (Note 10)	As incurred	As incurred	Suppliers, vendors, professional advisors, etc.
Additional funds – 3 months	\$10,000 - \$40,000 (Note 11)	As incurred	As incurred	Suppliers, vendors, employees, etc.
<b>TOTAL</b>	<del>\$812,307</del> - <del>\$804,353</del> - <del>\$1,534,900</del> <b>\$496,600</b>			

Notes to Item 7:

1. Please see Item 5 for discounts to the Initial Franchise Fee.

# NEXT STEP FRANCHISING LLC

## Balance Sheet

As of April 30, 2024

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1000 UMB - Operating	25,670.31
1010 UMB - Ad Fund	8,895.11
1090 Fifth Third - Operating	15,799.12
<b>Total Bank Accounts</b>	<b>\$ 50,364.54</b>
<b>Accounts Receivable</b>	
1100 Accounts Receivable	247,575.74
1150 Allowance for Doubtful Accounts	-27,081.69
<b>Total Accounts Receivable</b>	<b>\$ 220,494.05</b>
<b>Other Current Assets</b>	
1200 Notes Receivable	0.00
1202 Note Receivable - Yadav (Loan)	36,491.08
1204 Note Receivable - Huston	8,225.62
1206 Note Receivable - Huston FB	11,846.22
1207 Note Receivable - Carey (GA)	132,075.05
1208 Note Receivable - Martinez (AZ)	71,224.37
1209 Note Receivable - Garcia (AZ)	23,891.36
1210 Note Receivable - Mathews (SC)	8,604.07
1250 Note Receivable - 819 Ridge Road, LLC	109,885.11
1298 Note Receivable - Matheus, Yuma AZ	12,000.00
1299 Allowance for Doubtful Notes Receivable	-12,000.00
<b>Total 1200 Notes Receivable</b>	<b>\$ 402,242.88</b>
1310 Equipment to be installed	2,085.00
1320 Inventory	3,752.64
1400 Other Current Assets	5,834.00
1410 Prepaid Commissions/Broker Fees	178,176.80
1499 Undeposited Funds	20,766.35
<b>Total Other Current Assets</b>	<b>\$ 612,857.67</b>
<b>Total Current Assets</b>	<b>\$ 883,716.26</b>
<b>Other Assets</b>	
1610 Goodwill	2,443,937.82
1900 Due from (to) Clean Franchise Brands Inc.	-126,134.40
1910 Due from (to) Martinizing International	-7,155.51
<b>Total Other Assets</b>	<b>\$ 2,310,647.91</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,194,364.17</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	

<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 Accounts Payable	406,285.00
<b>Total Accounts Payable</b>	<b>\$ 406,285.00</b>
<b>Other Current Liabilities</b>	
2235 Marketing Accounts - Franchisees	12,023.51
2410 Deferred Revenue - Franchise Fees	115,133.65
2430 Deferred Revenue - Equipment Sales	40,806.33
<b>Total Other Current Liabilities</b>	<b>\$ 167,963.49</b>
<b>Total Current Liabilities</b>	<b>\$ 574,248.49</b>
<b>Long-Term Liabilities</b>	
2340 Loan Payable to NSF Inc.	130,000.00
<b>Total Long-Term Liabilities</b>	<b>\$ 130,000.00</b>
<b>Total Liabilities</b>	<b>\$ 704,248.49</b>
<b>Equity</b>	
3100 Paid in Capital - Greybull	2,300,000.00
3200 Paid in Capital - NSF Inc	298,784.24
3800 Retained Earnings	-231,786.30
Net Income	123,117.74
<b>Total Equity</b>	<b>\$ 2,490,115.68</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,194,364.17</b>

Tuesday, Jun 11, 2024 11:43:13 AM GMT-7 - Accrual Basis

**These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.**

**DISCLOSURE DOCUMENT ADDENDUM**  
**and**  
**FRANCHISE AGREEMENT RIDER**  
**VIRGINIA**

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

NEXT STEP FRANCHISING, LLC  
FRANCHISOR

FRANCHISEE (Print Name)

By: Kevin A. DuBois

Title: CEO

By:

Title: